

Date Mailed  
January 13, 2000

BEFORE THE  
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Wisconsin Electric Power Company for Approval of  
Plan to Improve Reliability Through Infrastructure and Incentives  
and Request for Rate Increase for Test Year 2000

6630-UR-111

**NOTICE OF HEARINGS**

**INTERIM RATE CASE HEARING**

<b>WEPCO Supplemental Testimony Due:</b>	<b>Tuesday, January 18, 2000 - Noon</b>
<b>Direct Testimony Due:</b>	<b>Tuesday, February 1, 2000 - Noon</b>
<b>Rebuttal Testimony Due:</b>	<b>Tuesday, February 8, 2000 - Noon</b>
<b>Hearing Date:</b>	<b>Wednesday, February 9, 2000 - 9:30 a.m.</b>
<b>Hearing Location:</b>	<b>Public Service Commission, 610 North Whitney Way, Madison, WI (Amnicon Falls Hearing Room – 1<sup>st</sup> Floor)</b>

**FULL RATE CASE HEARING**

<b>Direct Testimony Due:</b>	<b>Wednesday, March 22, 2000 - Noon</b>
<b>Rebuttal Testimony Due:</b>	<b>Wednesday, April 5, 2000 - Noon</b>
<b>Surrebuttal Testimony Due</b>	<b>Wednesday, April 19, 2000 – Noon</b>
<b>Company Surrebuttal Testimony Due</b>	<b>Monday, April 24, 2000 – Noon</b>
<b>Hearing Date:</b>	<b>Tuesday, April 25, 2000 - 9:30 a.m.</b>
<b>Hearing Location:</b>	<b>Public Service Commission, 610 North Whitney Way, Madison, WI (Amnicon Falls Hearing Room – 1<sup>st</sup> Floor)</b>

On July 6, 1999, Wisconsin Electric Power Company (WEPCO) submitted financial data for the 2000 test year indicating a revenue deficiency in the test year, but requesting no change in rates.

WEPCO's September 17, 1999, filing requests a two-step rate increase for its electric and natural gas operations and proposes to incorporate certain performance-based measures and incentives. The application requests no change in rates for the company's steam operations. WEPCO is requesting a \$46 million (3.1 percent) increase for electric operations and an \$8 million (2.0 percent) increase for gas operations to be effective January 1, 2000. For the second step, WEPCO is requesting an additional \$29 million (2.0 percent) for electric operations to be effective January 1, 2001.

On December 15, 1999, a prehearing conference was held to determine the issues that will be addressed in this docket and to establish a schedule for the hearing. Among the issues raised by the parties during the prehearing conference were cost-of-service studies, rate design, and tariff issues for the electric and gas utilities. WEPCO's September 17, 1999, filing does not include the company's electric or gas cost-of-service studies or rate design. At the prehearing conference, WEPCO agreed to provide its test year cost-of-service studies for the electric and gas utilities by Wednesday, February 9, 2000.

In addition, at the prehearing conference, WEPCO indicated its intention to request interim rate relief. On December 27, 1999, the company filed its "Motion of Wisconsin Electric Power Company for Interim Rate Order." The motion states, in part, "Based upon the discussions at the prehearing conference, including the identification of issues and tentative scheduling, it is unlikely that a final order will be issued prior to June 1, 2000, well beyond the April date in the Commission's most recently approved Electric Division Priorities schedule." The motion also states, "Delay of commencement of effectiveness of the requested electric and gas increases from January 1, 2000 to June 1, 2000 is expected to result in lost electric and gas revenues of approximately \$22 million and a reduction in earnings of approximately \$13 million." The motion concludes, "To avoid this immediate and irreparable loss to the shareholders of Wisconsin Electric, it asks the Commission for an interim order pursuant to § 196.395, Stats. pending a final order in this proceeding, placing into effect, subject to refund, a surcharge on electric and gas rates in an amount sufficient to produce an increase in annual electric and gas revenues of \$46 million and \$8 million, respectively."

A hearing will be held, pursuant to Wis. Stat. §§ 196.20, 196.39, 196.395, and 196.70, to address WEPCO's interim rate relief request. The scope of this hearing will be strictly limited to: 1) arguments on the merits of authorizing interim rate increases for electric and natural gas operations subject to refund upon a final determination of revenue requirements, 2) the appropriate level, if any, of interim rate increases for electric and natural gas operations, and 3) how such interim rate increases should be applied to the various rate classes for electric and natural gas operations.

The utility is responsible for giving notice to its customers of the filing of its application with the Commission and, pursuant to Wis. Admin. Code § PSC 2.73, for producing proof of notice at the hearing.

NOTICE IS GIVEN that a hearing will be held beginning on Wednesday, February 9, 2000, at 9:30 a.m. in the Amnicon Falls Hearing Room at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin, and continuing at times to be set by the

presiding Administrative Law Judge. This building is accessible to people in wheelchairs through the Whitney Way first floor (lobby) entrance. Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs additional accommodations should contact the case coordinator listed below.

NOTICE IS FURTHER GIVEN that another hearing will be held beginning Tuesday, April 25, 2000, at 9:30 a.m. in the Amnicon Falls Hearing Room at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin, and continuing at times to be set by the presiding Administrative Law Judge to address cost-of-service, rate design, final revenue requirement issues, and the company's performance-based ratemaking proposal, provided that WEPCO files its test year cost-of-service studies for electric and natural gas operations by February 9, 2000.

Persons who desire to actively participate as full parties must request full party status in writing. Full party status requests should be addressed to Jeffrey J. Patzke, Administrative Law Judge, Public Service Commission of Wisconsin, P.O. Box 7854, Madison, Wisconsin 53707-7854.

This is a Class 1 proceeding as defined in Wis. Stat. § 227.01(3)(a).

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to obtain this document in a different format should contact the case coordinator listed below.

Questions from the media may be directed to Jeffrey L. Butson, Public Affairs Director at (608) 267-0912.

Questions regarding this matter may be directed to case coordinator Mary Kettle at (608) 267-2405.

Dated at Madison, Wisconsin, \_\_\_\_\_

By the Commission:

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Lynda L. Dorr  
Secretary to the Commission